



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 25, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8895 9635

Gregory Hahn, President
Summo USA Corporation
1776 Lincoln Street, Suite 900
Denver, Colorado 80203

Re: Cancellation of Reclamation Surety, Summo USA Mining Company, Lisbon Valley Mine, M/037/088, San Juan County, Utah

Dear Mr. Hahn:

On April 23, 2002, we received a 90-day cancellation notice from United States Fidelity and Guaranty Company. The notice states that they will not renew the \$ 124, 200 reclamation surety bond (#) posted for Summo USA Mining Company's Lisbon Valley Mine, located in San Juan County, Utah. The effective cancellation date is July 22, 2002.

As you know, the Utah Mined Land Reclamation Act requires that adequate surety be maintained for all large mining operations until the site is successfully reclaimed, allowing bond release. You are hereby advised that we must receive a replacement form of surety prior to the cancellation date, or we will be forced to commence enforcement proceedings. Enforcement actions may include, but not be limited to: a Notice of Violation, a revocation of the permit approval, an order requiring immediate reclamation, levying of fines, and other lawful actions as authorized under the Mined Land Reclamation Act and other applicable laws.

Please contact me, or Doug Jensen within 14 days of your receipt of this notice to discuss this situation further and inform us of your intentions to mitigate this situation. I can be reached at (801) 538-5286, and Mr. Jensen at 538-5382. Thank you for your cooperation and prompt attention to this important permitting requirement.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

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cc: Will Stokes, SITLA
Brent Northrup, BLM Moab FO

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